

**New Hampshire Racing & Charitable Gaming Commission  
Commission Meeting  
October 25, 2013  
13-12**

Present: Timothy J. Connors, Chairman  
Anthony B. Urban, Secretary  
Frederick H. Booth, Member  
Dennis H. Caza, Member  
Michael J. Gatsas, Member  
Lynn M. Presby, Member  
Paul M. Kelley, Director  
Sudhir Naik, Deputy Director  
Michael R. Williams, Procedures Administrator  
Stephen Johnston, Supervisor-Gaming Operations  
Billie Jean Arseneault, Gaming/Licensing Supervisor  
Linda Glaser, Auditor  
Linda R Darrow, Admin Secretary

In Attendance: Dick Bouley, Ryan Gloddy, Ed Callahan, Jamie Timbas, Averill Cate, Jan DiMarzio, Nick Bonardi, Mike McLaughlin, George Roberts, Rick Newman, Peter Anzalone, Jason Long and others.

The Chairman called the meeting to order at 11:00 a.m. He called for the scheduled hearing to begin.

**Mr. Jason Long Hearing**

At 11:00 a.m., the Chairman opened the hearing for Mr. Jason Long relative to the denial of his application for a Games of Chance License. The chairman swore in those who were to testify:

Mr. Jason Long

After testimony was given, the Chairman asked if anyone else had any testimony or evidence to offer. There being none, the Chairman closed the hearing at 11:10 a.m. On a motion by Commissioner Urban, seconded by Commissioner Booth and unanimously voted, based on all evidence received and all testimony heard, for the following:

**IN THE MATTER OF  
Mr. Jason Long**

**Decision & Order  
Appeal of Denial of Games of Chance  
Secondary Game Operator License**

The Racing and Charitable Gaming Commission conducted a public hearing concerning the above referenced matter on October 25, 2013. After consideration and deliberation of the facts and law, the Commission orders that the denial of Mr. Long's Secondary Game Operator

License is **REVERSED**. The Commission expects that Mr. Long remain free of any violations for the duration of his license.

On a motion by Commissioner Booth, seconded by Commissioner Urban and unanimously voted to approve and place on file the minutes dated September 24, 2013.

On a motion by Commissioner Urban, seconded by Commissioner Booth and unanimously voted to place on file the racing & charitable gaming statistics for the fiscal period of July 1, 2013 – September 30, 2013.

On a motion by Commissioner Booth, seconded by Commissioner Urban and unanimously voted to accept and place on file the Games of Chance/Bingo/Lucky 7 warning letters/late financials spreadsheets. Deputy Director Naik noted that staff had contacted the three Bingo organizations that were late turning in their financial reports. All three organizations agreed to send copies immediately.

On a motion by Commissioner Urban, seconded by Commissioner Booth and unanimously voted to place the Games of Chance State Revenue spreadsheets on file.

Mr. Rick Newman submitted a request for approval from the Commission for Poker-Tek. Discussion ensued. On a motion by Commissioner Gatsas, seconded by Commissioner Booth and unanimously voted to contact the Attorney General's office to verify the legality of Poker-Tek. The item will remain on the agenda until a response is received from the Attorney General's office.

Procedures Administrator Williams requested permission to move forward with a public hearing on the following initial proposals:

- a. Pari 1010.01 (e) – related to bingo callers.
- b. Pari 1014.01 (b) – related to duly authorized officers
- c. Pari 1214.04 (p) – related to complying with SB 75 requirements

On a motion by Commissioner Booth, seconded by Commissioner Presby and unanimously voted to proceed with the public hearing.

Mr. Peter Anzalone of Oceanfront Gaming requested approval of his proposal to designate certain areas of his gaming hall for Bingo and Lucky 7. He handed out a schematic outlining the plans. The proposal includes the future use of hand-held bingo machines. Discussion ensued. A motion was made by Commissioner Urban to approve a 90-day pilot program to be held exclusively at Oceanfront Gaming to determine the feasibility of the proposal. Commissioner Caza seconded the motion. Further discussion ensued and areas of concern expressed:

- The front south area gaming tables – these two tables were to be designated either Bingo or Games of Chances areas depending on the schedule of the day. This would cause confusion.
- Where and when would the Bingo handhelds be used?
- How will the sales of Lucky 7 tickets be regulated?
- Does the legislation need to be changed to allow handhelds to be used in games of chance venues?

Commissioners Urban and Caza withdrew their motion at this point. More discussion ensued. On a motion by Commissioner Gatsas, seconded by Commissioner Presby and with five affirmative votes, with Commissioner Urban voting negative, staff was assigned the task of

developing a written agreement with Oceanfront Gaming that outlines the details of the proposal as envisioned by staff; to be signed by both parties; which does not include the use of handhelds outside of the immediate area where Bingo games are held; and which will run for a 90-day trial period at Oceanfront Gaming only. The expanded use of handhelds to other areas of the facility will be revisited at a later date.

A request was received from Mr. Michael McLaughlin for the Commission to support his client, Manchester Community Bingo Center, in approaching the legislature for approval of “shared bingo”. He foresees this process taking 18 – 24 months and feels it could help reverse the downward trend of Bingo. Discussion ensued. On a motion by Commissioner Presby, seconded by Commissioner Gatsas and unanimously voted to endorse the concept of shared bingo.

#### Action Item

- a. *Bingo payments in tiered games – staff to research and report back:* Director Kelley requested this be remanded back to staff since this issue had been resolved at the workshops. First tier winnings may be paid in cash and second tier winnings may be paid by check if winnings are over \$500.00. On a motion by Commissioner Presby, seconded by Commissioner Urban and unanimously voted to remand back to staff.
- b. *Netting on house-backed games-netting language to be clarified:* Director Kelley noted that Commissioner Presby and Auditor Glaser had worked on clarifying the language of the netting policy. A handout was provided – on a motion by Commissioner Presby, seconded by Commissioner Urban and unanimously voted to accept the updates to the netting policy and require game operators to sign off on it when they renew their applications. (The netting handout is attached to these minutes)

Procedures Administrator Williams will develop a rule on netting and received provisional approval to include it with the initial proposals slated for a public hearing (discussed above).

Discussion ensued on what, if anything, the Commission could do to recoup money some charities may have lost due to improper netting procedures possibly used by game operators. On a motion by Commissioner Gatsas, seconded by Commissioner Presby and unanimously voted to request all game operators to provide staff with the netting procedures they’ve used since November 2010 (when original policy was developed). The netting procedures will be reviewed by staff to determine compliance with the 2010 policy. If any are determined to be out of compliance, the AG’s office will be contacted to find out if money owed the charities can be collected.

- c. *Staff to research which game operators netted incorrectly and amount of money lost by charities as a result, per request of Mr. Averill Cate:* On a motion by Commissioner Presby, seconded by Commissioner Booth and unanimously voted to remove this item from the agenda since it was addressed above.

#### Tabled

1. *Statutes and rules governing Bingo and the sale of Lucky 7 tickets:* Commissioner Presby noted the final workshop was held and well attended. Several items were resolved as a result of these workshops. One item that still needs attention are free-plays. A meeting will be held with the industry to work on this item. Interest was expressed by attendees to hold another workshop sometime after the new year. Director Kelley noted that Senator Odell will work on a housekeeping bill to clarify bingo/lucky 7 items such as is Saturday considered a “day of the week”.

2. *Relocation of 647 request dated 08-26-2013:* Item remained tabled

Correspondence:

Reviewed and placed on file.

Old Business:

- Director Kelley noted he sent a letter to the AG's office on September 25<sup>th</sup> regarding the machines located at Jokesters in Manchester. The Commission has no jurisdiction or authority over these machines but wanted to notify the AG's office with its concerns regarding these unregulated machines. Discussion ensued. It was recommended that in the future, the chief of police in the affected jurisdiction also be copied on correspondence being sent to the AG's office when it pertains to the unregulated machines.
- Director Kelley was also asked to revisit the policy posted on the agency website: A Policy Statement of the NH Racing & Charitable Gaming Commission Regarding Machines, Equipment, Devices and Paraphernalia. It may need to be modified or rescinded.

New Business:

- Director Kelley handed out copies of a newspaper article dated October 23, 2013 stating that the Lakes Region Casino in Belmont owes \$235,000 in back taxes. Discussion ensued. Director Kelley was instructed to send Mr. Craig Potts of Lakes Region Casino a letter requesting a status update on the casino's unpaid property tax.
- Director Kelley handed out copies of a letter received from President Keelan of Seabrook Greyhound Park notifying the Commission that the owners of the park have listed the property for sale. Discussion ensued. Chairman Connors will be in contact with President Keelan and keep the Commission apprised of developments.
- Director Kelley handed out copies of the WhiteSand Gaming Report to the NH Gaming Regulatory Oversight Authority. There were between 20 and 30 recommendations made in the report. Discussion ensued. Chairman Connors and Director Kelley will continue to attend the Gaming Regulatory Oversight Authority meetings and keep the Commission apprised.
- Director Kelley announced Attorney Rose Wiant is back with the AG's office and will continue working with the Commission.

There being no questions or comments from the audience, at 12:55 p.m. on a motion by Commissioner Urban, seconded by Commissioner Booth and by a unanimous roll call vote the Commission voted to adjourn the regular meeting and go into nonpublic session as allowed under RSA 91-A:3, II(c)

Connors	-	Yes
Caza	-	Yes
Booth	-	Yes
Gatsas	-	Yes
Presby	-	Yes
Urban	-	Yes

At 1:00 p.m., on a motion by Commissioner Urban, seconded by Commissioner Caza and by a unanimous roll call vote the Commission voted to come out of the nonpublic session and permanently seal the nonpublic minutes.

Connors	-	Yes
Caza	-	Yes
Booth	-	Yes
Gatsas	-	Yes
Presby	-	Yes
Urban	-	Yes

The next meeting is scheduled for Monday, November 18, 2013 at 11:00 a.m., location to be determined.

The Chairman closed the public meeting at 1:05 p.m.

Respectfully Submitted,

Secretary  
Anthony B. Urban

### “Netting” of Losses for Games of Chance

- Game Operators will be allowed to offset net losses from house backed games on any game date against net wins from such games played on other game dates within the same month of the annual (10 day) games of chance license period. Game Operators shall not be permitted to net losses from house backed games against any wins by the charitable organization.
- Game Operators shall not offset a net loss from house backed games on any game date against raked or tournament games.
- If after combining all the wins and losses from house backed games played within (for) the same month of the annual (10 day) games of chance license period, the result is a net loss, the operator will bear the full loss and shall not offset such loss against raked or tournament games.
- For state tax purposes, each game date is treated independently. Netting of house backed games is not allowed when calculating the 10% state allocation as per RSA 287-D:3X

Notes:

New wording is in green.

Changed “income” to “wins”.

Clarified that netting may not be carried from month to month.

Included language confirming that netting is not allowed for tax purposes.